

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

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In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

-----X  
In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND  
TRANSPORTATION AUTHORITY (“HTA”)

Debtor.

PROMESA

Title III

No. 17 BK 3567-LTS

**Re: ECF No. 591, 595**

**This Stipulation relates only to  
HTA and shall be filed in the lead  
Case No. 17 BK 3283-LTS and Case  
No. 17 BK 3567-LTS.**

**JOINT STIPULATION REGARDING THE DRA PARTIES’  
MOTION AND MEMORANDUM OF LAW IN SUPPORT OF THEIR  
MOTION FOR RELIEF FROM THE AUTOMATIC STAY, OR IN THE  
ALTERNATIVE, ORDERING PAYMENT OF ADEQUATE PROTECTION**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), pursuant  
to the authority granted to it under the Enabling Act of the Fiscal Agency and Financial Advisory

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<sup>1</sup> The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747).

Authority, Act 2-2017; the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), in its capacity as representative of the Commonwealth of Puerto Rico (the “Commonwealth”) and the Puerto Rico Highways and Transportation Authority (“HTA”) pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act*, 48 U.S.C. § 2101 *et seq.* (“PROMESA”); AmeriNational Community Services, LLC (the “Servicer”), as servicer for the GDB Debt Recovery Authority (the “DRA”), and Cantor-Katz Collateral Monitor LLC, a Delaware limited liability company (the “Collateral Monitor,” and together with the Servicer, collectively, the “DRA Parties”),<sup>2</sup> by and through their respective attorneys, respectfully submit the following *Joint Stipulation Regarding The DRA Parties’ Motion and Memorandum of Law in Support of Their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* (the “Stipulation”) requesting entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), to set a briefing and hearing schedule in connection with *The DRA Parties’ Motion and Memorandum of Law in Support of Their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* [ECF No. 7643] (the “Stay Motion”).

WHEREAS, on June 25, 2019, the DRA Parties filed the Stay Motion and the *Notice of Hearing on the DRA Parties’ Motion and Memorandum of Law in Support of Their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* [ECF No. 7646], requesting that any objections to the Stay Motion be due July 16, 2019 at 4:00 p.m. (Prevailing Eastern Time) and that the Stay Motion be heard at the July omnibus hearing on July 24, 2019.

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<sup>2</sup> AAFAF, the Oversight Board, and the DRA Parties are sometimes hereinafter referred to as the “Parties” and each, a “Party”.

WHEREAS, on June 26, 2019, the Court entered the *Order (i) Denying the DRA Parties' Motion For Leave To Request Additional Relief Pursuant To Local Bankruptcy Rule 4001-1(A) (Docket Entry No. 7647) and (ii) Setting Briefing Schedule With Respect to the DRA Parties' Motion for Relief from the Automatic Stay* [ECF No. 7689], which set July 9, 2019 as the deadline to object to the Stay Motion.

NOW, THEREFORE, the Parties have met and conferred regarding a briefing and hearing schedule concerning the Stay Motion and have agreed upon the terms set forth in this Stipulation, without prejudice to any Party to seek extensions of the deadlines set forth herein.

1. The briefing and hearing schedule regarding the Stay Motion will be bifurcated to first determine the DRA Parties' standing to bring the Stay Motion (the "Standing Issue").

2. AAFAF and the FOMB will file any objection to the Stay Motion (on an individual or joint basis), solely concerning the Standing Issue, no later than **August 16, 2019** (the "Objection Deadline").

3. The DRA Parties will file a response in support of the Stay Motion, solely concerning the Standing Issue, no later than **September 2, 2019** (the "Response Deadline").

4. AAFAF and the FOMB will file a reply (on an individual or joint basis) to the DRA Parties' response by no later than **September 5, 2019** (the "Reply Deadline").

5. The Court will hear argument on the Stay Motion, solely concerning the Standing Issue, at the **September 11, 2019** omnibus hearing (the "Hearing Date").

6. All issues concerning the underlying merits of the Stay Motion will be stayed pending the Court's consideration and determination of the Standing Issue. In the interim, AAFAF and the Oversight Board will grant the DRA Parties' advisors access to the information data room

immediately upon the Parties' execution of this Stipulation to help facilitate discussions among the Parties.

7. The DRA Parties shall be deemed to have waived solely their right to assert the termination of the automatic stay pursuant to section 362(e) of title 11 of the United States Code (the "Bankruptcy Code") with respect to the Stay Motion prior to the hearing on the Standing Issue. The automatic stay pursuant to Bankruptcy Code section 362 shall remain in effect pending an order of the Court concerning the merits of the Stay Motion. The DRA Parties have not and are not waiving any other rights in connection with the Stay Motion, nor are they waiving any rights, legal arguments, or positions regarding any and all other pending matters in the Commonwealth's and HTA's Title III process, or any other legal proceeding, which are hereby expressly preserved by the DRA Parties.

8. To the extent necessary, the Parties will work collaboratively and in good faith to coordinate any document exchange or discovery, limited to such documents concerning the Standing Issue, in advance of the Objection Deadline, Response Deadline, Reply Deadline, and Hearing Date.

9. For the avoidance of doubt, nothing herein shall affect the rights of any Party, person, or entity with respect to discovery, enforcement of said discovery, or to oppose discovery, in connection with the Stay Motion, or to seek further adjournment of the Stay Motion, or to oppose such adjournment, all of which rights are fully preserved. In addition, all other rights of the Parties are expressly preserved and are not impaired or otherwise prejudiced by the terms set forth in the Stipulation or Proposed Order.

10. All other rights, claims, and remedies of the Parties are expressly reserved.

11. The Parties expressly reserve all rights to seek modification of, or relief from, this Joint Stipulation and the Order approving this Joint Stipulation.

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Dated: July 2, 2019  
San Juan, Puerto Rico

Respectfully submitted,

**O'MELVENY & MYERS LLP**

/s/ Suzanne S. Uhland

John J. Rapisardi  
Suzanne S. Uhland  
7 Times Square  
New York, NY 10036  
Telephone: (212) 326-2000  
Facsimile: (212) 326-2061  
Email: jrapisardi@omm.com  
suhland@omm.com

**MARINI PIETRANTONI MUÑIZ LLC**

/s/ Luis C. Marini-Biaggi

Luis C. Marini-Biaggi  
USDC No. 222301  
Carolina Velaz-Rivero  
USDC No. 300913  
250 Ponce de León Ave., Suite 900  
San Juan, Puerto Rico 00918  
Tel: (787) 705-2171  
Fax: (787) 936-7494

-and-

Peter Friedman  
1625 Eye Street, NW  
Washington, DC 20006  
Telephone: (202) 383-5300  
Facsimile: (202) 383-5414  
Email: pfriedman@omm.com

*Attorneys for the Puerto Rico Fiscal Agency  
and Financial Advisory Authority*

*Attorneys for the Puerto Rico Fiscal  
Agency and Financial Advisory  
Authority*

Dated: July 2, 2019  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Brian S. Rosen

Martin J. Bienenstock (*pro hac vice*)

Brian S. Rosen (*pro hac vice*)

**PROSKAUER ROSE LLP**

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

*Attorneys for the Financial Oversight and  
Management Board for Puerto Rico, as  
representative of the Commonwealth and  
HTA*

/s/ Hermann D. Bauer

Hermann D. Bauer

USDC No. 215205

**O'NEILL & BORGES LLC**

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181

Fax: (787) 753-8944

Email: hermann.bauer@oneillborges.com

*Attorney for the Financial Oversight and  
Management Board for Puerto Rico, as  
representative of the Commonwealth and  
HTA*

Dated: July 2, 2019  
San Juan, Puerto Rico

Respectfully submitted,

-and-

**C. CONDE & ASSOC. LAW OFFICES**

By: /s/ Carmen D. Conde Torres

Carmen D. Conde Torres  
(USDC No. 207312)  
254 San José Street  
Suite 5  
San Juan, PR 00901-1523  
Tel. 787-729-2900  
Fax. 787-729-2203  
E-Mail: condecarmen@condelaw.com

**MCCONNELL VALDÉS LLC**

270 Muñoz Rivera Avenue, Suite 7  
Hato Rey, Puerto Rico 00918  
PO Box 364225  
San Juan, Puerto Rico 00936-4225  
Telephone: 787-250-5632  
Facsimile: 787-759-9225

By: /s/ Arturo J. García-Solá

Arturo J. García-Solá  
USDC No. 201903  
Email: ajg@mcvpr.com

-and-

**ORRICK, HERRINGTON &  
SUTCLIFFE LLP**

By: /s/ Douglas S. Mintz

Douglas S. Mintz (admitted pro hac vice)  
Columbia Center  
1152 15th Street, N.W.  
Washington, D.C. 20005-1706  
Telephone: (202) 339-8400  
Facsimile: (202) 339-8500  
E-mail: dmintz@orrick.com

By: /s/ Nayuan Zouairabani

Nayuan Zouairabani  
USDC No. 226411  
Email: nzt@mcvpr.com

*Attorneys for AmeriNational Community  
Services, LLC as servicer for the GDB Debt  
Recovery Authority*

-and-

Peter Amend (admitted pro hac vice)  
51 West 52nd Street  
New York, N.Y. 10019  
Telephone: (212) 506-5000  
E-mail: pamend@orrick.com

*Attorneys for Cantor-Katz Collateral Monitor  
LLC, as Collateral Monitor for GDB Debt  
Recovery Authority*



**Exhibit A**

**Proposed Order**

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

-----X  
In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

-----X  
In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND  
TRANSPORTATION AUTHORITY (“HTA”)

Debtor.

PROMESA

Title III

No. 17 BK 3567-LTS

**Re: ECF No. 663, 674**

**This Order relates only to HTA and  
shall be filed in the lead Case No. 17  
BK 3283-LTS and Case No. 17 BK  
3567-LTS.**

**ORDER APPROVING JOINT STIPULATION REGARDING THE DRA  
PARTIES’ MOTION AND MEMORANDUM OF LAW IN SUPPORT OF  
THEIR MOTION FOR RELIEF FROM THE AUTOMATIC STAY, OR IN  
THE ALTERNATIVE, ORDERING PAYMENT OF ADEQUATE PROTECTION**

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<sup>1</sup> The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747).

Upon consideration of the *Joint Stipulation Regarding The DRA Parties' Motion And Memorandum of Law in Support of Their Motion for Relief from the Automatic Stay, or in the Alternative, Ordering Payment of Adequate Protection* (the "Stipulation"),<sup>2</sup> filed on July 2, 2019 by the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), pursuant to the authority granted to it under the Enabling Act of the Fiscal Agency and Financial Advisory Authority, Act 2-2017; the Financial Oversight and Management Board for Puerto Rico ("FOMB") in its capacity as representative of the Puerto Rico Highways and Transportation Authority ("HTA"); AmeriNational Community Services, LLC (the "Servicer"), as servicer for the GDB Debt Recovery Authority (the "DRA"), and Cantor-Katz Collateral Monitor LLC, a Delaware limited liability company (the "Collateral Monitor," and together with the Servicer, collectively, the "DRA Parties"),<sup>3</sup> and the Court having found and determined that (i) the Court has jurisdiction over this proceeding and the Stipulation pursuant to 28 U.S.C. § 1331 and 48 U.S.C. § 2166(a); (ii) venue of this proceeding and the Stipulation is proper under 28 U.S.C. § 1391(b) and 48 U.S.C. § 2167(a); and (iii) the Court having found good cause to grant the relief requested therein, it is

**HEREBY ORDERED THAT:**

1. The Stipulation is **GRANTED** as set forth herein.
2. The briefing and hearing schedule regarding the Stay Motion will be bifurcated to first consider the Standing Issue in accordance with the following deadlines:
  - a. AAFAF and the FOMB will file any objections to the Stay Motion (on an individual or joint basis) solely concerning the Standing Issue, no later than **August 16, 2019** (the "Objection Deadline");

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<sup>2</sup> Capitalized terms not defined herein have the same meaning as in the Stipulation.

<sup>3</sup> AAFAF, the Oversight Board, and the DRA Parties are sometimes hereinafter referred to as the "Parties" and each, a "Party".

b. The DRA Parties will file a response in support of their Stay Motion, solely concerning the Standing Issue, no later than **September 2, 2019** (the “Response Deadline”);

c. AAFAF and the FOMB will file a reply (on an individual or joint basis) to the DRA Parties’ response by no later than **September 5, 2019** (the “Reply Deadline”);

d. The Court will hear argument on the Stay Motion, solely concerning the Standing Issue, at the **September 11, 2019** omnibus hearing (the “Hearing Date”).

3. All issues concerning the underlying merits of the Stay Motion will be stayed pending the Court’s consideration and determination of the Standing Issue. In the interim, AAFAF and the FOMB will grant the DRA Parties’ advisors access to the information data room immediately upon the Parties’ execution of this Stipulation to help facilitate discussions among the Parties.

4. The DRA Parties shall be deemed to have waived solely their right to assert the termination of the automatic stay pursuant to section 362(e) of title 11 of the United States Code (the “Bankruptcy Code”) with respect to the Stay Motion prior to the hearing on the Standing Issue. The automatic stay pursuant to Bankruptcy Code section 362 shall remain in effect pending an order of the Court concerning the merits of the Stay Motion. The DRA Parties have not and are not waiving any other rights in connection with the Stay Motion, nor are they waiving any rights, legal arguments, or positions regarding any and all other pending matters in the Commonwealth’s and HTA’s Title III process, or any other legal proceeding, which are hereby expressly preserved by the DRA Parties.

5. To the extent necessary, the Parties will work collaboratively and in good faith to coordinate any document exchange or discovery, limited to such documents concerning the

Standing Issue, in advance of the Objection Deadline, Response Deadline, Reply Deadline, and Hearing Date.

6. For the avoidance of doubt, nothing herein shall affect the rights of any Party, person, or entity with respect to discovery, enforcement of said discovery, or to oppose discovery, in connection with the Stay Motion, or to seek further adjournment of the Stay Motion, or to oppose such adjournment, all of which rights are fully preserved. In addition, all other rights of the Parties are expressly preserved and are not impaired or otherwise prejudiced by the terms set forth in the Stipulation or this Order.

7. All other rights, claims, and remedies of the Parties are expressly reserved.

8. The Parties expressly reserve all rights to seek modification of, or relief from, this Joint Stipulation and the Order approving this Joint Stipulation.

SO ORDERED.

Dated \_\_\_\_\_, 2019  
San Juan, Puerto Rico

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HONORABLE LAURA TAYLOR SWAIN  
UNITED STATES DISTRICT JUDGE